

TELETYPED INFORMATION REPORT

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CLASSIFICATION SECRET S-E-C-R-E-T		DISSEMINATION CONTROLS NOFORN	
DATE DISTR. 10 JULY 1959		PRECEDENCE <input checked="" type="checkbox"/> ROUTINE	
COUNTRY WEST GERMANY	25X1A2g	PLACE ACQUIRED [REDACTED]	
SUBJECT BORAX SHORTAGES	25X1A6a	25X1A	
DATE OF INFORMATION MAY/JUNE 59	25X1A2g	REFERENCES [REDACTED]	
APPRAISAL OF CONTENT (TENTATIVE) 25X1A	25X1X6		
SOURCE (EVALUATION DEFINITIVE) [REDACTED]			

1. CONTINUING DISCUSSIONS BEING HELD IN SPC ON MEANS OF ENDING SERIOUS SHORTAGE OF BORAX. GDR DEPENDS ON IMPORTS OF BORAX OR UNPROCESSED ORE, ~~COMMANDE~~, TO MEET NEEDS. SINCE BORAX IS ON WESTERN POWERS' EMBARGO LIST, GDR CHEMICAL FOREIGN TRADE (DIA-CHEMIE) OFFICE/CONTRACTED TO PURCHASE ABOUT 7,000 TONS ~~COMMANDE~~ FROM TURKEY TO BE SHIPPED TO ROSTOCK VIA GREEK FREIGHTER, MARTHA, WHICH WAS INTERCEPTED ON HIGH SEAS IN APRIL AND BROUGHT TO GREEK PORT. GREEK GOVT RECOGNIZES THAT ORE LEGALLY BELONGS TO GDR. THEREFORE SPC ATTEMPTING TO ARRANGE "SALE" OF ORE TO SWISS FIRM ON CONDITION THAT FIRM PROCESS ORE INTO BORAX AND SELL BORAX TO GDR VIA CZECHOSLOVAKIA, EVEN THOUGH

THIS WOULD INVOLVE EXORBITANT EXPENSES. DIA-CHEMIE IS OPTIMISTIC THIS PLAN WILL SUCCEED, ~~COMMENT~~: BELIEVE SWISS FIRM NOT YET SELECTED.) ~~COMMENT~~: SEE ~~FOR REACTION IN CHEMIE KONTOR ON INTERCEPTION GREEK SHIP.~~) 25X1A2g

2. POSSIBILITY OF IMPORTING ORE FROM USSR OR CHINA WAS ALSO DISCUSSED. CHINA

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TO: ACSL AF, NAVY, JCS, OSD, STATE, NSA, CCI, OEP, OCR, ONE, [REDACTED]

25X1A2g

S-E-C-R-E-T

10 JULY 1955

PAGE NO. 2.

25X1A

HAS LARGE RESERVES OF ORE BUT TRANSPORTING IT TO GDR IS INSURMOUNTABLE PROBLEM. USSR NEEDS ITS OWN BORAX AND IS IN NO POSITION TO EXPORT ANY TO GDR. OCCASIONAL PAST SHIPMENTS OF SOVIET ORE WERE OF SUCH POOR QUALITY IT IS NOT WORTH WHILE.

COMMENT: BELIEVE SOVIET ORE HAS LOW CO₂ CONTENT.)

25X1X

3. NO MENTION WAS MADE DURING DISCUSSIONS THAT BORAX WOULD BE USED IN MANUFACTURE OF "STRATEGIC WEAPONS". BUT IT IS AN OPEN SECRET THAT "PEACEFUL INDUSTRIES" COULD NOT USE BORAX IN AMOUNTS GDR WISHES TO IMPORT. COMMENT: ALTHOUGH NOT FAMILIAR WITH ALL PROJECTED END USES CONTEMPLATED FOR BORAX, ONE FACT CERTAIN: IF WESTERN POWERS CAN STRANGLE SWISS/CZECH/GDR TRANSACTION THEY WILL DEAL SEVERE BLOW GDR INDUSTRY.)

25X1X6

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USE.)

4. (HEADQUARTERS COMMENT: AN EVALUATION IS REQUESTED FROM ORR.)

ARMY, STATE.

25X1A

END OF MESSAGE

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